

SECURITY INFORMATION

C E N T R A L I N T E L L I G E N C E A G E N C Y

23 June 1953

SUBJECT: SE-46: PROBABLE LONG TERM DEVELOPMENT OF THE SOVIET BLOC AND WESTERN POWER POSITIONS

THE PROBLEM

To estimate the probable relative development of the Soviet Bloc and Western power positions over the next 15 years, with a view to estimating whether or not time is on our side in the East-West conflict.

ASSUMPTIONS

1. No general war.
2. Continuation of present programs and policies of both
the Bloc and the Western Powers.

Y We take the assumption "continuation by both sides of present plans and policies" to mean a continuation of the generally hostile policies pursued up to this point by both great power blocs in the "cold war". However, a new uncertainty is introduced into this assumption by the "soft" tactics which are currently being pursued by the post-Stalin regime. Unless these tactics are limited and temporary, they will almost certainly create a new type of cold war situation, with incalculable effects. Thus the West as well may have to make various alterations in "present programs and policies" if it is to prosecute effectively the long-term conflict with the Soviet Bloc. The world may be entering a new and uncertain phase of the East-West conflict, in which maximum flexibility in Western policies will be required if "time" is to be on our side.

DISCUSSION

1. We believe it essential to state at the outset that we cannot give any unequivocal answer to the question "is time on our side". Even assuming a "continuation by both sides of present policies and programs" (itself an assumption of doubtful validity), there are so many accidental or unpredictable factors which will materially affect the world situation as to prevent any firm estimate of the relative Soviet Bloc and Western power positions 15 years from now. However, it is possible to appraise in general terms our likely power position vis-a-vis the Soviet Bloc if present trends continue and if various major alternative developments do or do not come to pass. Moreover, by examining the impact of some of these alternatives, we can at least establish certain significant factors which might alter present trends.

I. PROBABLE ECONOMIC GROWTH OF SOVIET BLOC AND THE WEST

2. The Soviet Bloc. At present the over-all economic strength of the Soviet Bloc is far less than that of the NATO powers; in terms of gross national product (GNP), the 1952 output of the entire Bloc was little over one-third that of the NATO states. However, assuming a continuation of present policies and programs, the economic strength of the Soviet Bloc will increase greatly over the next 10-15 years. For some years the rate of

growth of the Soviet economy will almost certainly remain higher than that of any major Western state. However, the past rapid rate of growth, which we estimate averaged 7-8% in 1948-52, is already leveling off and the annual rate toward the end of the period is unlikely to exceed 3-4%. Even so, total Soviet GNP will probably almost double within the next 15 years.

3. Bloc economic capabilities to wage war are likely to increase even more substantially than the overall strength of the Bloc economy, since the Bloc will probably continue to place more emphasis on the development of heavy industry, and in particular, on military production, than on increasing the standard of living and expanding other sectors of the economy. Bloc self sufficiency, already great, will probably become more nearly complete.

4. These projections may be invalidated by other factors. A prolonged struggle for power or increased internal dissension in the Soviet Bloc might dissipate Soviet energies. A relaxation in the forced pace of heavy industrial development might reduce the rate of increase in Bloc capabilities to mount a major war. The difficulty of rapidly increasing the industrial labor force in the USSR and the probable lag in agricultural production may prove more serious limiting factors on general economic growth than we now estimate. On the other hand, Soviet Bloc agriculture is techno-

logically far behind that of the West, and the application of known scientific developments would permit greater increases in Bloc agricultural production, and/or in the release of agricultural labor for other uses.

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5. The West. It is more difficult to estimate the probable economic growth of the Western powers. The freer and less closely integrated Western economies, particularly those of the major US allies, are more vulnerable to economic fluctuations and trends in international trade than are those of the bloc. Much will depend upon the ability of the Western powers to establish a satisfactory pattern of international trade and payments,

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25X6 [REDACTED] The US role will be of critical importance in this field. However, assuming a continuation of present trends and no serious depressions, we estimate the probable growth in GNP of the Western powers at about 50% over the next 15 years.

6. However, the Western powers will continue to face much greater difficulties than the Soviet Bloc in allocating and directing their resources toward cold war objectives and peacetime

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preparations for hot war. Their ability (and desire) to impose peacetime sacrifices will be less, and the problems of agreeing on common objectives and devising effective policies among nations of different and sometimes divergent interests will remain difficult to overcome.

7. In terms of over-all economic growth and resources, it cannot be said that time is on the side of either the Soviet Bloc or the West. While Bloc GNP will probably increase at a higher rate than that of the Western Powers and the ratio of Western superiority will therefore decrease, the GNP of the West is already so much greater than that of the Bloc that its lower rate of growth will actually widen the gap between the two.^{3/} Thus the West will remain for the indefinite future greatly superior to the Soviet Bloc in total economic strength.

8. However, certain factors increase the significance of over-all economic growth and resources as a factor in the world power balance. The ability of the totalitarian Soviet Bloc to devote a high percentage of its resources both to the cold war and to peacetime military preparations will probably remain greater than that of the West. Moreover, because of the atomic revolution in

^{3/} To project these trends to 1975, Bloc GNP is estimated to increase on the order of 125% while Western GNP increases only 70%, thus altering the ratio to roughly 2:1 in favor of the West. On the other hand, the actual disparity in favor of the West will become even greater, from around \$360 billion in 1952 to some \$500 billion by 1975.

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warfare, as discussed in Section II below, the continuing economic superiority of the West, although important, may not be the ruling factor in determining whether time is on our side.

II. PROBABLE OVER-ALL MILITARY CAPABILITIES OF THE SOVIET BLOC AND THE WEST

9. We believe that throughout the next 10-15 years the West will continue to maintain a substantial edge over the Soviet Bloc in over-all scientific capabilities, in atomic weapons, and in capabilities for delivery, but that the Soviet Bloc will gradually narrow the existing gap in most, if not all of these respects.

a. The over-all scientific assets of the West (numbers and quality of trained personnel, facilities, and equipment) are now far greater than those of the Soviet Bloc, and almost certainly will remain so over the next 15 years. However, the USSR is expending great effort to reduce this disparity, and is likely to narrow the gap between it and the West. The Bloc may, however, concentrate excessively on the solution of short-term military and economic problems, thus narrowing the

4 Although at present we are unable to foresee any major technological breakthrough by either the West or the Soviet Bloc, we cannot estimate the likelihood of such a development or whether it would confer more than a transitory advantage on either side.

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range of fundamental research and diminishing the probability of basic scientific advances.

b. In the field of BM the USSR has a greater opportunity than the West to gain technological surprise by developing new virulent and stable agents with characteristics unknown to the other side. In the field of CW, the USSR may also make greater technical advances than the West, although of lesser strategic implications.

c. Within 10-15 years both US and USSR will possess a sufficient stockpile of atomic and thermonuclear weapons to cripple the war-making potential of the other side, if delivered on targets. The US, if it has not already acquired this number of weapons, will do so before the USSR does. The US already has, and the USSR will also acquire within 10-15 years, the means with which to undertake the delivery of these weapons.

10. It is likely that within the period of this estimate the USSR will acquire the means of delivery with which, regardless of losses, to cripple the US, unless new developments in defensive weapons and techniques permit a substantial improvement over present defensive capabilities. At that point the world may have entered a period in which both of the great power blocs will have the capa-

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city to cripple the other, though only at grave risk of equally crippling blows in return. Unless it attained complete strategic surprise or achieved an unforeseen technological breakthrough, we believe that neither side would be able to prevent powerful retaliation in kind.

11. As a result, the immense strategic advantage of the US-- its practical invulnerability to crippling enemy attack (which has heretofore permitted a post-bomb mobilization) -- is rapidly becoming a thing of the past. We cannot estimate the time at which the USSR will become able to cripple US war-making capacity, but it is probably well within the next 10-15 years. At that time, despite probable US retention of a sizable margin of technological superiority and superior atomic offensive capabilities, this continued disparity will become much less significant.

12. In the growth of Bloc and western power over the next 25 years, the development of conventional military capabilities will be increasingly overshadowed by that of unconventional weapons. The relative importance of the latter is difficult to estimate but will certainly be less than in the past. However, the rearmament and continued pro-Western orientation of Japan and West Germany would substantially increase conventional western defensive capabilities, while their geographic location and not inconsiderable

technological potential might provide a substantial increment to Western unconventional strength. Moreover, relative conventional capabilities will continue to be of great importance in meeting the threat of local cold war aggression. To the extent that the West can develop local military capabilities in key areas around the Bloc periphery, it will measurably increase its relative power position in the cold war, and reduce the likelihood of cumulative losses to the Bloc of local areas each in itself of minor importance.

III. PROBABLE TRENDS IN THE POLITICAL AND SOCIAL STRUCTURE AND COHESION OF THE SOVIET BLOC AND THE WEST

13. Probable Trends in the Soviet Bloc. Political and social trends will have an important, and perhaps controlling, effect on the relative power positions of the Bloc and the West and are most difficult to estimate over so long a period as the next fifteen years. At present we see no indications that the economic and military bases of Soviet power have been affected by Stalin's death. We believe, however, that during this period it is possible that a struggle for control within the Kremlin or other conflicts within the Soviet Bloc might cause a retraction and decay of Soviet power. We cannot estimate, however, whether such developments will take place or at what point or to what extent they would

begin to have a material effect on the power position of the Soviet Bloc.

14. In any case we believe it unsafe to assume that over the next 10-15 years the Bloc will not retain its cohesion. While the more flexible policies of the post-Stalin regime and the modest relaxation of tight Soviet controls may permit periodic overt manifestations of discontent behind the Iron Curtain, over the long run these very policies may also tend to lengthen the Kremlin's lease on power. The European satellites will probably remain under control of the Kremlin, and the Chinese Communists will probably continue to work in close accord with the USSR. Nevertheless the possibility exists that conflicts of aim and interest between Peking and Moscow may cause Communist China to attempt to play an increasingly independent role. Should this potential weakness develop into a rift between the two chief Communist states, it would be a major blow to Soviet power.

15. Trends in the Political and Social Strength and Cohesion of the West. Because of the greater diversity of the looser Western coalition and the variety of forces at play within it, we find it even more difficult to project probable trends in Western strength and cohesion as they affect the global balance of power. However, at no time in the foreseeable future are the Western

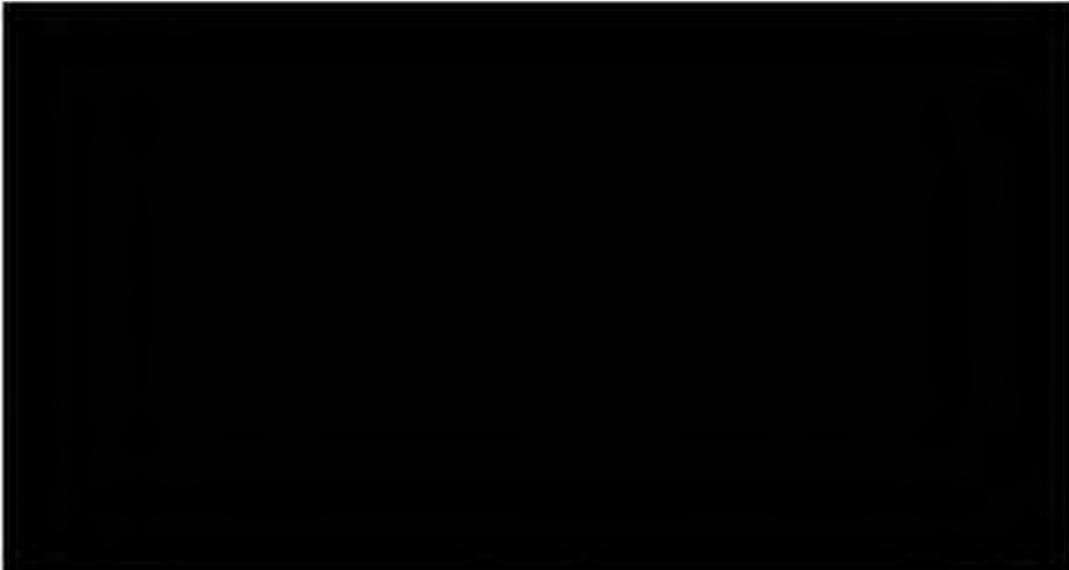
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Powers likely to attain the centralized control, unity of action, and ability to mobilize their resources that characterize the Bloc. In general, they will probably continue to be more subject to internal conflicts, economic fluctuations, and divisive influences than the Bloc. Much will depend on international economic developments, on future Soviet policy, on the future position of major nations like Germany, Japan, and India and above all on the role played by the acknowledged leader of the Western coalition, the US itself.

16. As the only single aggregation of resources outside the US itself comparable to the Soviet Bloc, Western Europe plays a major role in the world power balance. Its continued weakness is a major vulnerability of the Western Powers, while its acquisition by the Bloc would be a tremendous increment to Soviet power. The reappearance of a strong and viable Western Europe, including a Western-oriented Germany, would substantially decrease Western vulnerability and alter the present power relationship between the Soviet and Western blocs to the advantage of the West.

17. On the other hand, we see many obstacles to the achievement of this objective. We believe that a primary concern of the Kremlin over the coming period will be to frustrate the development of a viable and defensible Western Europe. In this effort the Kremlin will almost certainly concentrate on the key to the

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13. We believe that a continued Kremlin shift to a more moderate policy would also present a real challenge to the further growth in strength and cohesion of the Western Powers. To date the US has succeeded in creating and partially maintaining a defensive coalition under the impetus of an acute Soviet threat. Should this threat appear to diminish, it will be difficult to maintain the support of Western peoples for continued rearmament, close integration of national policies, and vigorous anti-Communist efforts. The likelihood of divisions among the Western Powers, especially if encouraged by skilful Kremlin action, would markedly increase. It might lead, over the longer run, to some of our allies adopting more neutral positions, or even to the creation of a European "Third Force". On the other

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hand, a decrease of cold war tensions might actually lead to an increase in the political, economic, and social health of many Western countries by allowing them greater opportunity to concentrate on domestic needs and to devote more resources to meeting their own economic and social problems.

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20. Probable Trends in the Strength and Alignment of "Gray"

Areas. A major difficulty facing the West is represented by the extreme political and social instability of the underdeveloped areas of the Middle and Far East and Africa, where profound social changes are in progress, entailing in many areas disorder and consequent vulnerability to Communist influences. The anti-Western overtones of this political and social revolution create a serious obstacle to the utilization of their resources by the West. The consequent danger to the Western position is acute in some areas of Southeast Asia and the Middle East. None of these

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areas is likely to develop into an important center of power during the period of this estimate, but their loss to the Bloc would nevertheless be a serious blow to the West. For example, a Viet Minh conquest of Indochina, which is possible, would probably result in eventual loss of most of mainland Southeast Asia. This in turn would

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A Communist takeover in Iran, which is also possible, would jeopardize the already unstable Western position in the Middle East.

21. On the other hand, Western control or influence is still paramount in the undeveloped areas. Over the next 10-15 years the US and its allies still have the opportunity to establish new relationships of mutual confidence with the undeveloped countries. Whether time is on our side will depend to a large extent on the leadership exerted by the US.

IV. IS TIME ON OUR SIDE?

22. We believe that since the Soviet Bloc under present policies and programs will over the next 10-15 years decrease the proportion by which its economic and technological capabilities are inferior to those

of the West and acquire sufficient atomic capabilities to cripple the US. We believe that in these respects time must be said to be on the Soviet side. The West will probably retain a sizable margin of superiority, but this superiority may not be of decisive importance in the world power struggle. In fact, this superiority may be of decreasing significance, because: (a) the Soviet Bloc will probably retain a relatively greater ability to devote its resources to cold war and military preparations; and (b) for the first time the USSR will probably be capable of a crippling attack on the US economy, notwithstanding the continued existence of a greater US capability to devastate the USSR. Moreover, to the extent that the Kremlin would be more willing to use "atomic blackmail" and to take more risks in crisis situations than the US or especially the US allies, it might be more able to use "atomic" diplomacy for major cold war gains.

23. On the other hand, we believe that the possibilities of internal decay or collapse of the totalitarian Bloc system are greater than those of the Western powers, and that in terms of the relative flexibility and vitality of free world as opposed to Communist institutions, time is on the side of the West. However, it is unsafe to assume that a collapse of the Soviet Bloc will take within the next fifteen years. Until the process of internal disintegration sets in, the totalitarian nature of the Soviet system and the Kremlin's pervasive

control of influence over its Bloc partners will continue to provide it with many advantages in a power struggle with the looser coalition led by the US.

24. Therefore, we conclude that in the absence of (a) a breakdown of the Soviet regime; (b) a presently unforeseen growth in Western strength and cohesion; or (c) achievement by the West of major technological advantages, time is probably more on the Soviet side. Because of the many imponderables which could alter this trend, however, we do not believe that it is inevitable nor that even under such circumstances the West will have lost out. Even if over the next fifteen years the Bloc narrows the gap between Soviet and Western power, it will almost certainly be unable to achieve a decisive increase in its strength.

25. Finally, we believe that time is more on the Soviet side in terms of capabilities for waging general war than in terms of a continuing cold war situation. While the USSR will probably achieve within the next fifteen years the capabilities of crippling the US in a general war offensive (though at grave risk of devastation in return), there is much less likelihood that it can achieve an equally substantial increase in its relative strength for the prosecution of the cold war.

We believe that under present programs and policies the cold war is unlikely over the next fifteen years to lead to any critical shifts in the balance of power to the benefit of either side.

26. Moreover, a shift in Soviet programs and policies, without any change in basic Soviet objectives, might permit the Bloc to use time more effectively to its advantage. If the Kremlin should call a halt to the period of "active" cold war and embark on a period of attempted co-existence (though at the same time continuing its forced pace of industrialization and armament), the West might be lulled by the shift in Soviet external policy to modify its own programs and policies and relax its vigilance. In this case the West might at some future date be faced with a renewal of the cold war or Soviet initiation of a global conflict, after the USSR has greatly improved its own relative power position.